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Chairman King, Sen. Schumer to Introduce Legislation to Halt UAE Port Deal

*Bill Requires Comprehensive CFIUS Investigation, Must Report to Congress,
Full Congress Would Have Authority to Stop Sale*

Washington, D.C. (Tuesday, Feb. 21, 2006)— In two weeks, control of the Port of New York and New Jersey will be handed over to Dubai Ports World, a Dubai Company that is owned and operated by the United Arab Emirates (UAE). This \$6.8 billion deal is scheduled to be closed on March 2, 2006 and was approved by the Committee on Foreign Investment in the United States (CFIUS) last month.

The approval allows the UAE company to take control of significant operations at six ports on the East Coast, including: New York, New Jersey, Baltimore, New Orleans, Miami, and Philadelphia. Except for cargo screening functions performed by the Department of Homeland Security, the Port operator is responsible for securing cargo coming in and out of the port, the port facility itself, and the hiring of security personnel. In light of these critical functions being transferred from a private company based in Britain to a United Arab Emirates government-owned company based in Dubai, today Senator Schumer and Congressman Peter King, Chairman of the House Homeland Security Committee, announced emergency legislation to suspend the Dubai port deal.

“The measures taken by the Department of Treasury and other agencies involved are clearly inadequate,” King said. “This company is coming out of a country that has had a strong Al Qaeda presence. In this post 9/11 world, we cannot consider approving this contract until a much more thorough investigation takes place on this security matter.”

“Approving this contract in the dark of night and ignoring all of the many questions asked about this takeover is an affront to anybody who cares about our nation’s security,” Schumer said. “This is a serious matter that I have serious concerns about. CFIUS made a huge mistake but the President doesn’t have to make it his own. We hope he will overrule this Committee and avoid the need for this legislation.”

Today, Chairman Peter T. King (R-NY) and Senator Schumer (D-NY) announced their plans to introduce and push emergency legislation in both the House and Senate when the chambers reconvene on Monday, Feb. 27. King plans to try and have the bill placed on the House Suspensions Calendar, putting it on the fast track to passage. Schumer promised to try to have the Senate approve the bill by unanimous consent.

Their emergency bill will:

- Require the President to place a stay on DP World's takeover of P&O ports.
- Require the Committee on Foreign Investment in the United States commence an immediate 45-day investigation on the takeover's effects on national security. The bill also requires CFIUS to coordinate with other agencies, such as the Coast Guard, and to take in to consideration past security assessments of ports operated by DP World.
- Require the Secretaries of Homeland Security and the Treasury to prepare a full report and brief members of Congress on their findings.
- Upon receiving the report, Congress would have the authority to disapprove the sale within thirty days.

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